

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 140319
ORIGIN EB-07

INFO OCT-01 ARA-10 EUR-12 IO-13 ISO-00 COME-00 AGRE-00
STR-04 TRSE-00 L-03 FRB-03 OMB-01 ITC-01 SP-02
USIA-06 AID-05 CIAE-00 INR-07 LAB-04 NSAE-00
OIC-02 EPG-02 SIL-01 CEA-01 /085 R

DRAFTED BY EB/FTD:SFOUITS:HM
APPROVED BY EB/FTD:CANGEVINE
COMMERCE - LMOBLEY (INFO)
AGRICULTURE - JSTEVENSON
STR - PMURPHY
TREASURY - DCRAFTS
DESIRED DISTRIBUTION
COMMERCE, AGRIC, STR, TREASURY
-----170216Z 104835 /62
P 162200Z JUN 77
FM SECSTATE WASHDC
TO AMEMBASSY BONN PRIORITY
AMEMBASSY BRASILIA PRIORITY
USMISSION GENEVA PRIORITY

LIMITED OFFICIAL USE STATE 140319

E.O. 11652:N/A

TAGS: ETRD, UNCTAD

SUBJECT: UNCTAD PREPARATORY MEETING ON COTTON.

REF: A) BRASILIA 4426 NOTAL B) BONN 9970 NOTAL

1. REFTELS REQUESTED ADDITIONAL INFORMATION CONCERNING
SUBJECT MEETING.

2. UNCTAD SECRETARIAT OFFICIALS HELD MEETING WITH U.S.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 140319

COTTON OFFICIALS IN LATE MAY TO DISCUSS SECRETARIAT
PAPER TO BE PRESENTED AT MEETING AND SOLICIT INFORMATION
ON U.S. POSITION FOR MEETING.

3. U.S. DELEGATE INFORMED SECRETARIAT MEMBERS THAT
U.S. WOULD ATTEND MEETING WITH A WILLINGNESS TO ENTER INTO
DISCUSSIONS WITHOUT PRE-COMMITMENT ON MEASURES WHICH

MIGHT BE TAKEN TO IMPROVE INTERNATIONAL TRADE IN COTTON. U.S. DELEGATE ALSO SAID, HOWEVER, THAT U.S. HAS SERIOUS RESERVATIONS CONCERNING FEASIBILITY OF INTERNATIONAL BUFFER STOCK FOR COTTON. HE NOTED GREAT DIFFICULTIES IN SETTING APPROPRIATE TARGET PRICE RANGE FOR COMMODITY WHICH FACES STRONG COMPETITION FROM SYNTHETIC SUBSTITUTES IN END USES, AND FROM OTHER CROPS (PRINCIPALLY FOOD GRAINS) FOR LAND USE. HE OBSERVED

THAT THERE WOULD BE BOTH HIGH INITIAL COST AND FORMIDABLE MANAGEMENT DIFFICULTIES INVOLVED WITH A BUFFER STOCK, DUE TO THE HIGH VALUE AND VOLUME OF WORLD COTTON TRADE AND THE WIDE VARIETY OF COTTON TYPES AND GRADES WHICH WOULD HAVE TO BE INCLUDED IN A BUFFER STOCK. FINALLY, HE NOTED U.S. INDUSTRY'S UNHAPPINESS WITH U.S. FARMER PRICE SUPPORT AND STOCKING PROGRAM. THIS PROGRAM RESULTED IN BUILDUP OF COTTON STOCKS TO VERY HIGH LEVELS, WHICH U.S. INDUSTRY BELIEVES WERE RESPONSIBLE FOR HOLDING COTTON PRICES AT STABLE BUT LOW LEVELS IN THE 1950'S AND 60'S, AND ULTIMATELY LED TO PRODUCTION CONTROLS. HE OBSERVED THE U.S. INDUSTRY WAS "NOT ENCHANTED" WITH THE POSSIBILITY THAT A SIMILAR SITUATION MIGHT OCCUR IF AN INTERNATIONAL BUFFER STOCK WERE CREATED.

4. FOR GENEVA: PLEASE CONTACT BRANDENBERG AS REQUESTED REFTTEL AND RELAY ABOVE INFORMATION. YOU MAY ALSO NOTE THAT U.S. IS AWARE OF UNCTAD SPONSORED LDC MEETINGS ON COTTON HELD IN CAIRO AND CARACAS, AND LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 140319

OF REPORTED SUPPORT FOR STABILIZATION PROPOSALS EXPRESSED AT THOSE MEETINGS. CONTACTS WITH INDIVIDUAL LDC PRODUCERS, HOWEVER, LEAD US TO BELIEVE THAT MANY LDC PRODUCING COUNTRIES WILL IN FACT TAKE MUCH MORE SKEPTICAL VIEW OF UNCTAD PROPOSALS WHEN IT COMES TO TAKING CLEAR STAND AT PREPARATORY CONFERENCE ON ISSUES VITAL TO THEIR OWN ECONOMIC INTERESTS. CHRISTOPHER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COTTON, MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 16-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE140319
Document Source: CORE
Document Unique ID: 00
Drafter: SFOUTS:HM
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770216-0207
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770648/aaaabqjm.tel
Line Count: 104
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 01b87c7b-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 BRASILIA 4426, 77 BONN 9970
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 06-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2120909
Secure: OPEN
Status: NATIVE
Subject: UNCTAD PREPARATORY MEETING ON COTTON.
TAGS: ETRD, US, GE, UNCTAD
To: BONN BRASILIA MULTIPLE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/01b87c7b-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009